

State Affairs

(Continued)

layed highway construction until State assistance was forthcoming.

It was, therefore, partly to quiet dissatisfied Southern Californians that B. B. Meek, State Director of Public Works, announced last week that the pendulum of road construction had been swung southward, that before January 1 contracts would be let or actual construction begun on the following major projects in the south:

1. Improvement of a large sector of the Arroyo Seco route.
2. Aggressive extension of the La Canada-Angeles Forest project.
3. Paving of the Jordan Canyon highway between Los Angeles and Bardsfield.
4. Paving of a new road from Seal Beach to Anaheim.
5. Construction of one of the largest bridges in the State at San Luis Rey, over the San Luis Rey River.
6. A million dollar highway project connecting Long Beach and Santa Monica with a fast, straightaway highway.

Providing no one interferes with the gas tax, and it remains at 3 cents for each gallon, Director Meek last week was of the opinion that California residents would not be called upon to make any new outlays for roads through other taxes or bond issues.

Said he: "The present income of \$106,000,000... (from the gas tax)... is sufficient for maintenance and new road construction work, according to the present program of the State government. This program is a comprehensive and far-reaching one, providing for a systematic and co-ordinated scheme of development.

"I am opposed to bond issues for elimination of grade crossings. The work should be done with gas-tax money."

Riley's Relief

Fortnight ago when the State Legislative Tax Investigating Committee met at San Francisco to study California's tax tangles, the event was marked by heated discussion on the workings of the State's new bank and corporation tax law. (News Review, Oct. 7-13). Especially divergent were the views of the Board of Equalization and the Department of Finance. The equalization board claimed the new law was a "poor makeshift" that it would cause a loss to the State of some \$700,000 in yearly revenue.

One important member of the Board of Equalization, however, was missing from the San Francisco meeting. The member: State Controller Ray L. Riley. Last week he returned to Sacramento from Saratoga, N. Y., where he has attended the National Tax Association convention. With him Controller Riley brought back revived interest in another bank tax mud—The State's inability to tax national banks upon a share basis. But with him Controller Riley also brought new hope, possible relief for this tax tangle.

Riley's relief: An appeal to Congress for modification of the statute on State taxation of national banks so as to permit California to avoid losses of revenue resulting from the U. S. Supreme Court decision regarding tax-exempt securities in the case of Massachusetts vs. McCallan, in which the Supreme Court denied Massachusetts the power to tax the revenue from tax-exempt securities.

Under Congressional revisions, as outlined by the National Tax Association, the State will be enabled to tax national banks on shares while competing capital would be taxed on net income in excess of corporate profits. By this plan, Controller Riley declared, income derived from tax-exempt securities may be indirectly taxed, which is now impossible. In no case, he explained, would the change permit taxation of banks at a rate in excess of that used to measure revenue from other corporations.

Said Riley: "California will lose approximately \$1,500,000 in bank taxes this year because of the Supreme Court decision. The suggested amendment will preclude repetition of this loss in future years and may pave the way for recovery of our losses this year. Generally speaking, the proposed amendment will make for more revenue to the several States and will have the effect of stabilizing national bank taxation in every State."

Heron's Proposals

Another important State delegate to the National Tax Association convention (see above) was Director of Finance A. R. Heron, who returned earlier than Delegate Riley and went directly to San Francisco so that he might attend the initial meeting of the State Legislative Tax Investigating Committee (News Review, Oct. 7-13). Early last week Director Heron departed for Southern California to investigate sites for the new State prison for former felons (see The Counties). But before he departed southward, Director Heron returned to Sacramento, went to Governor Young's office where he left his report on the convention, together with his recommendations on the State's present tax troubles, suggestions for future measures.

Among others, the following observations, suggestions, proposals embodied in Director Heron's report:

Assessment Co-ordination. Chief among Heron proposals was the creation of State supervision of county tax assessors whereby uniformity in methods of assessment of general property might be achieved by means of a centralized State agency. His observations, suggestions, proposals embodied in Director Heron's report:

Municipalities, the financial director suggested, should be encouraged to utilize so far as is practical the assessment and tax collection machinery of the counties. A step toward uniformity in administration and distribution of governmental expense.

Bank Revenue. Partly reiterating his statement of opinion concerning the workings of the bank and corporation tax, which he expressed last fortnight before the Tax Investigating Committee, Director Heron declared, in his report to Governor Young, that the sentiment of the National Tax Association had borne out that "California is possessed of the best possible method of administering bank and corporation taxes." Also did he advise the State, through Governor Young, to "stand by the system until the national bank taxation muddle caused by the U. S. Supreme Court Decision in the McCallan case (see above) has been cleared, either by the court's reconsideration or by act of Congress."

Real Estate Tax. Cautious and careful Heron is before it acts to relieve real estate of its present tax burden, Heron declared.

Said he, in his report: "It should be noted that although there has been discussion of an excessive burden on California real estate, this burden is probably lighter than that of the average of the States. Nevertheless, if means can be found of reducing the burden on real estate, that means should be given careful consideration."

Inheritance Tax. Declaring the State's inheritance tax stands favorable as the result of 1929 legislative amendments, Heron cited that Billingsley, who has extensively advertised its freedom from such a law, is considering a constitutional amendment to impose a tax equal to 80 per cent of the Federal Estate Tax.

Kersey's Crime Check

To abolish the criminal of a decade by correcting the present delinquent child of today and thus cut off crime at its source, the State Department of Education last week launched a state-wide mental hygiene survey of school children.

To supervise the survey, Superintendent of Public Instruction Verner Kersey last week appointed Miss Zella Ryan, child psychology expert and assistant chief of the Division of Special Education. In making his announcement Superintendent Kersey declared that study of mental hygiene problems would be carried into every school district, that the survey was expected to:

1. Determine characteristics leading toward delinquency as a basis for applying remedial environment.
2. Search out children living under abnormal conditions and seek to change those conditions.
3. Bring educators into closer contact with home conditions and parents as a means for more efficient mental hygiene work.
4. Determine a program upon which teachers may be taught to recognize and understand symptoms of abnormality.
5. Extend physical education to teach children the value of proper recreation in leisure time outside school.

Simultaneously, a group of child guidance experts and psychiatrists

began a survey along similar lines under direction of the State Department of Social Welfare (News Review, Sept. 30-Oct. 6). This group, however, will not confine itself entirely to school problems.

Wet vs. Dry Years

To permit California irrigationists, power companies, domestic water users to know, whether they face a "wet" or a "dry" year, two scientific inquiries—one State, one Federal—were launched last week.

Snow Test. The State's investigation, financed by a \$30,000 appropriation, directed by State Hydraulic Engineer Stafford, is a state-wide snow survey, intended to furnish an accurate gauge of summer water conditions by regular studies of the depth and water content of the snow pack.

This survey is now underway, Engineer Stafford announced last week. "Snow courses" are being mapped out along the Sierras from the Pit River to Bakersfield. During the winter months, regular tests will be made of the pack along the established snow courses, "snow samplers" being used to secure sample cores of snow. The samples will show both the depth of the fall and water content of the snow pack.

Ocean Test. The second inquiry, launched by the Federal government, embraces a study to test the validity of a new system for determining, in the summer months, whether a wet or a dry winter is ahead. The new weather test theory, as yet untried: By checking, at the Federal station at La Jolla, the varying temperatures of the waters of the Pacific Ocean, an accurate guide may be afforded in determining whether light or heavy rains may be expected in California during the following winter months.

Prohibition

Modern Re-Version

In Biblical times, when water was turned into wine, the act was hailed as a miracle, and with the exclamations of wonder and amazement. But a fortnight ago, when the reverse occurred, when wine became water, no miracle was suggested; the deed was labelled as "fishy"; it was suggested that something was wrong, not in Denmark, but in California.

Liquid evidence with which Calipatria enforcement officers counted upon convicting a suspected bootlegger was several weeks ago instructed without comment by the court, personally placed in charge of Justice of the Peace P. N. Myers.

A fortnight ago, the liquid was examined, was found to have lost its alcoholic content, was discovered to have become water.

District Attorney Elmer Heald heard of the peculiar happening, investigated it. Last week he appeared before the Imperial County Supervisors, presented the resignation of Justice Myers. It was accepted without comment.

Nor was comment forthcoming from either District Attorney Heald or former Justice Myers. Shrouded with silence has been the modern re-version of the Biblical miracle.

Fiendish Trap

The life of a law enforcer is dangerous at best. Bakersfield Deputy Sheriff Vance Brite, W. A. Kanawyer and Al Welch knew this when they took up the life of policemen. Therefore they were not afraid last week when given orders to capture an illicit still in lonely Lybbon Canyon. But a policeman's chief of duty is never a safe job, enemy, and when Brite, Kanawyer and Welch found three powerful bombs designed to blow deputy sheriffs, other law enforcers to pieces, they were not pleased, but nevertheless they were not afraid that the still operators were not at home. Reason: The deadly bombs were electrically controlled from a rickety ranch house 400 yards away. From that distance the bootleggers ordinarily would have used the intricate wiring of the bombs, caused death and destruction. Happily for the sheriffs, the fiendish operators "were out."

In their search of the premises, investigators found the electric switch controlling the bombs, and closed it. A shattering explosion blew the still to bits, tore the side of a small mountain, sprayed metal 250 yards. The officers estimated that anyone within 100 yards of the explosion would have been certainly killed or badly injured. Bakersfield pronounced, the bomb death trap as the most fiendish ever devised for the reception of officers.

Wine Laws

Wrathful and frothing last week, the W. C. T. U. of San Bernardino was still fighting for a complete abolishment of the wine tonics from San Bernardino County, proposed an ordinance which would prohibit the sale of all alcoholic preparations except by a physician's prescription. Not unnaturally, grape growing and manufacturing industries became alarmed lest many millions of dollars worth of their business be ruined, proceeded to act against the W. C. T. U. arrangements, sought for a modification of the W. C. T. U. ordinance. (News Review of last week).

In favor of the grape men, the County Board of Supervisors last week announced that it would adopt an ordinance restricting the sale of wine tonic to one pint a day to each consumer, prohibiting the sale except by druggists and to persons over twenty-one years of age.

The supervisors thought the W. C. T. U. ordinance would work financial hardship on persons who desire any one of a number of preparations long recognized as not within the scope of prohibition efforts. It would be legally impossible to single out any one or a group of preparations for a ban.

"Druggists," said a Supervisor Chairman C. E. Grier, "I propose to halt the abuse that has occurred under Federal regulations (of wine tonics)."

Complained W. C. T. U.'s Glenn C. Colvin: "I know it (the County regulation) will prove highly unsatisfactory. I am sure that the old salaried law regulations. What makes the difference if one place sells wine tonic or another—five people in a car could buy five bottles from as many drug stores."

Statute-Drafter

San Francisco Attorney John L. McNab holds no governmental portfolio, has no desire for one; prefers to remain in private life. But when Personal Friend President Hoover asked him to draft legislation for better prohibition enforcement, for relief of Federal court congestion, Attorney McNab accepted; stipulated that he should receive no compensation.

Last week McNab returned to San Francisco from the nation's Capitol, from conferences with the nation's Chief Executive; told interviewers he was not going to succeed former Asst. Attorney-General Willibrand.

McNab last week said he anticipated no change in prohibition laws; wanted only to lift prohibition out of the Treasury Department, where it now is, and place it in the Department of Justice, where it belongs. He plans to draft a statute to this effect for consideration during the December session of Congress.

Three solutions for Federal court congestion were suggested by McNab: to increase the number of judges in crowded districts; to enlarge the powers and number of Federal Commissioners, to organize an inferior Federal Court. Any one of these, or all three, may be recommended to the December Congress for consideration by Attorney McNab.

No Longer "Wet"

No patience has Dr. E. M. Eaton, field secretary of the National Board of Temperance and Public Morals, with pessimists who bewail the failure of prohibition, who denounce Washington as a liquor den, who deplore the general "wetness" of the nation.

Last week Field Secretary Eaton addressed 200 Methodist preachers at Los Angeles' First Methodist Episcopal Church; told them that "the United States today, in regard to prohibition, is no more like the United States of eight months ago than white is like black"; praised Christian President Herbert Hoover for this change.

Thus did Prohibitionist Eaton refer to the Eighteenth Amendment: "It was a movement to free (the people of the United States) from a larger liberty and to put a high idealism in touch with every strata of our national life. It was... the will of the American people, climaxing a reform movement that had lasted for a century."

Continued Guardian of Public Morals Eaton: "The big newspapers and many leading magazines are trying to break down the morale of the American people. Millions of dollars are being spent by the press for propaganda, and I do not doubt that some of our outstanding periodicals are being subsidized by the liquor interests."

To insure the continued success of prohibition, Field Secretary Eaton advised listening preachers to move over to the church and to prohibit the new voters—8,000,000 in number—who hold the balance of power; said that with their vote liquor victory.

Political Notes

Rolling Jordan

Oldest State official in point of service is Secretary of State Frank C. Jordan. First elected Secretary of State in 1910, he was, prior to that time, County Clerk of Alameda County, Clerk of the State Supreme Court.

Last week at Sacramento, in a scene buzzing with political prediction, Oldest Official Jordan commanded the limelight, led the way for less seasoned, younger officials, political aspirants. Warm and long friend of the Press, Secretary Jordan early last week called in Homer Roberts, chief newsmen of the Sacramento bureau of the United Press, cordially told him he had an announcement to make. The announcement: Secretary of State Jordan will be a candidate to succeed himself at the 1930 general election.

Thus Secretary Jordan, the first person to make a formal announcement of his candidacy, settled back in his office at Room 109, in the State Capitol, and waited eagerly—once he had paved the way—for other candidates to make formal statements. But by Thursday no one had made any statement, proclamation, announcement. Therefore Secretary Jordan called in Clem Whitaker, political pundit of the Capitol News Bureau, made another announcement, more startling, more significant, more far-reaching in its political aspects. The second announcement:

Under the title of "The League of Association Friends," Veteran Campaigner Jordan has organized more than 200 Young-for-Governor clubs in every section of the State. Casually brushing aside the fact that Governor Young has not announced himself for re-election, Jordan told Newsmen Whitaker: "Why of course he's a candidate; he's given the State a splendid administration based on business principles, and he has a justifiable pride in carrying that work to its conclusion during the next four years."

Qualifying his statements, limiting the scope of his announcement, Secretary Jordan hastened to add: "This is just my individual campaign for Governor Young. It is independent of the Governor's own campaign."

On the wall of Room 109 hangs a great political relief map of California; and Campaigner Secretary Jordan has organized a Young-for-Governor Club he has placed a large red dot.

Pointing to the map, Secretary Jordan last week declared: "I have 500,000 personal letters in California; an acquaintance built up through 40 years in politics—and I'm going to get the great majority of them lined up for C. C. Young. My schedule calls for 200,000 personal letters in behalf of Governor Young's cause and several thousand of these are already in the mails."

Rumors

Last week Sacramento the following rumors about the following people, offices, appointments, etc., etc., were bruited about the corridors of the State's Capitol. **Wood's Successor.** When Will C. Wood, State superintendent of Banks, resigned fortnight ago (News Review, Oct. 7-13), Governor Young announced that he would appoint one of Wood's assistants to fill the position until Superintendent Wood returned from his "leave of absence."

Last week Rumor dallied with two names as appointees for the position. The names: E. D. Holly, chief deputy; Albert A. Rosenshine, attorney for the banking department.

Prison Board. Ray Leonard, Orville attorney, resigned from the State Board of Prison Directors early in the Richardson administration so that he might go back to his law practice. Last week it was reported that he would shortly be appointed once again to the prison board.

Leonard, a close personal friend of B. B. Meek, Director of Public Works, will succeed Will F. Morish of Berkeley or Julian H. Alco of San Francisco, according to Capitol gossip, which last week said that Attorney Leonard had been recommended and his appointment urged upon Governor Young by Director Meek in person.

Women's Prison. Last week it was indicated in administrative circles that Mrs. Rose B. Wallace of Alhambra, a well known clubwoman, who had served on the original commission which sponsored the women's penal institution, would be a member of the board.